



May 24, 2023

**Via Electronic Court Filing**

Hon. Katherine Polk Failla  
District Court Judge  
United States District Court for the Southern  
District of New York  
Thurgood Marshall United States Courthouse  
40 Foley Square  
New York, NY 10007

**Re: Three Brothers Trading, LLC v. Generex Biotechnology Corp.  
Case No. 18-cv-11585 (KPF)  
CMOC No.: 1078-00001**

Dear Judge Failla:

This letter is filed on behalf of Three Brothers' Trading Group LLC, d/b/a Alternative Execution Group ("Three Brothers") and Marc P. Barmat in his capacity as chapter 7 trustee (the "Trustee" and, together with Three Brothers (collectively, the "Parties") in response to the Court's Order dated January 24, 2023 (ECF No. 173) directing the parties to update the Court regarding the chapter 7 bankruptcy proceeding filed on behalf of Generex Biotechnology Corp. ("Generex"), Case No. 22-13166 (PDR) (the "Bankruptcy Case") at the earlier of May 24, 2023, or a significant update in the bankruptcy proceeding.

Since the Parties filed their first status letter in this case on January 23, 2023 (ECF Doc. No. 170), the Trustee filed in the Bankruptcy Case on March 3, 2023 the *Trustee's Report of Sale* (Bankruptcy Case ECF Doc. No. 156) advising that the Trustee held an auction to sell Generex's equity interests in two entities, and the highest bid came in at \$3,350,000.00 from Beijing Youfeng Biological Technology Co., Ltd. (the "Successful Bidder"). The stalking horse bidder was paid a breakup fee in the amount of \$50,000.00, and the unsuccessful bidder's deposit in the amount of \$150,000.00 was returned.

At this time, the proceeds from the sale of Generex's equity interests are technically subject to a lien perfected within ninety (90) days' of the petition date in the Bankruptcy Case by Oasis Capital, LLC ("Oasis"). On April 4, 2023, the Trustee commenced an adversary proceeding, No. 23-01081, against Oasis to avoid the perfection of its lien as a preferential transfer under 11 U.S.C. § 547. A hearing to adjudicate the Trustee's Motion for Summary Judgment in that adversary proceeding is scheduled for June 21, 2023.

The Parties are advised by the Trustee's counsel retained in the Bankruptcy Case that if a final judgment avoiding Oasis' lien is entered, the Trustee will begin preparation for potentially making an interim distribution to creditors. To that end, the Trustee and his professionals will

review claims filed against Generex's estate and file any necessary claim objections in or about July 2023.

Last, the Trustee has retained special counsel in the Bankruptcy Case to investigate possible claims against certain professionals retained by Generex prior to the commencement of the Bankruptcy Case.

If the Court has any questions concerning the foregoing, the Parties are available to respond. Of course, the Parties reserve any and all rights, remedies and defenses available at law and in equity.

Respectfully,



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**/s Eyal Berger**

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